

Workforce &  
Business  
Development  
Committee  
Meeting

# Workforce & Economic Development

SEPTEMBER 28, 2020



## Key takeaways from our last meeting

September 14, 2020

### Corridor labor market data

- Historically high unemployment exists in specific areas of our City.
- Data indicates that many of our unemployed face barriers to employment
- We need to better understand who is unemployed, why and where their best opportunity is for job placement- which will yield customized solutions.

### Charlotte Works & Workforce System

- We have a robust workforce development ecosystem that is serving our community in a variety of ways.
- The City needs to continue to bring job opportunities to our residents and connect our workforce partners to these employers.
- Gaps do remain in this ecosystem.

### Job Creation

- The City has been very successful in bringing new job opportunities to our residents.
- There is a lack of real estate product along some of our corridors.
- We need to identify new development opportunities for job location that will provide opportunity to adjacent residents.



## Zip Code Labor Market Data

### Key Takeaways

#### 28216

- Mostly residential
- Advantage in talent with Johnson C. Smith
- Top Barriers: Poverty and Disabilities

#### 28208

- Employment center – largely industrial
- Advantage in land availability and usage potential
- Top Barriers: Crime and Single Parent Households

#### 28206

- Small Employment Center – focus on transportation
- Advantage in development brought by light rail extension
- Top Barriers: Crime, Poverty, Transportation

#### 28212

- Mostly residential
- Advantage in diverse residency and talent pool
- Top Barriers: High non-citizen population and Single Parent Households

#### 28213

- Mostly residential
- Advantage in development brought by light rail & Eastland
- Top Barriers: Large non-citizen population and Poverty

**Follow Up  
from our  
last meeting**

- Additional information is needed in these areas of Charlotte including:
  - Pre-COVID unemployment %
  - Median income
  - Average hourly wage
  - Foreign Born and refugee population
- Additional zip code data for 28213
- Additional labor questions

# Zip Code Update:

## 28213

I-85 / Sugar Creek & North Tryon



PROJECTED PRE-COVID  
UNEMPLOYMENT:

9.7%

TOP  
INDUSTRY:

Retail

22% of total employment

MEDIAN HOUSEHOLD  
INCOME:

\$43,984; \$21.15/hr

PROJECTED PRE-COVID  
UNEMPLOYMENT:

13.8%

VIOLENT CRIME  
RATE:

6.5

FOREIGN-BORN  
POPULATION:

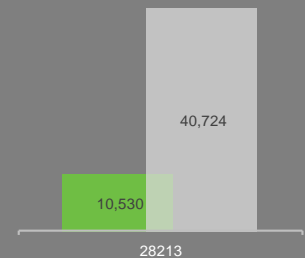
19.6%

|             | No HS | HS Diploma | Some College | Poverty |
|-------------|-------|------------|--------------|---------|
| 28213       | 16%   | 17%        | 27%          | 20%     |
| Mecklenburg | 9.5%  | 15%        | 28%          | 10%     |

|             | 18-34 | Black | White | Female |
|-------------|-------|-------|-------|--------|
| 28213       | 31%   | 52%   | 28%   | 52%    |
| Mecklenburg | 26%   | 32%   | 57%   | 52%    |

■ Talent Employed Here  
■ Talent Living Here



Sources: NcWorks, ACS, DES/ NC LEAD, EMSI, and JobsEQ

## Follow Up from our last meeting

| Geography                     |                                     |                        | Economy                                 |  |                                |                                   |                                   |
|-------------------------------|-------------------------------------|------------------------|---|--|--------------------------------|-----------------------------------|-----------------------------------|
| Zip Code                      | Geography                           | Corridor               | Estimated Unemployment Rate (Pre-COVID) | Estimated Unemployment Rate (Post-COVID) | Labor Force Participation Rate | Individual Median Income (Yearly) | Individual Median Income (Hourly) |
| 28216                         | Northwest Charlotte                 | Beatties Ford          | 8.7%                                    | 17.2%                                    | 70.2%                          | \$48,657                          | \$23.39                           |
| 28208                         | West Charlotte                      | Rozzelles Ferry & head | 17.9%                                   | 18.9%                                    | 69.7%                          | \$34,925                          | \$16.79                           |
| 28212                         | East Charlotte                      | Eastland               | 12.1%                                   | 12.5%                                    | 72.9%                          | \$39,439                          | \$18.96                           |
| 28206                         | Central Charlotte (North of Uptown) | I-85/Sugar Creek       | 19.9%                                   | 25.2%                                    | 64.3%                          | \$31,617                          | \$15.20                           |
| 28213                         | Northeast Charlotte                 | I-85/Sugar Creek       | 9.7%                                    | 13.8%                                    | 71.8%                          | \$43,984                          | \$21.15                           |
| Mecklenburg County (baseline) |                                     |                        | 3.4%                                    | 9.8%                                     | 71.2%                          | \$64,213                          | \$30.87                           |

| Geography                     |                                     |                        | Potential Barriers      |                          |
|-------------------------------|-------------------------------------|------------------------|-------------------------|--------------------------|
| Zip Code                      | Geography                           | Corridor               | Foreign-born Population | % Non-Citizen Population |
| 28216                         | Northwest Charlotte                 | Beatties Ford          | 7.6%                    | 4.3%                     |
| 28208                         | West Charlotte                      | Rozzelles Ferry & head | 10.0%                   | 7.0%                     |
| 28212                         | East Charlotte                      | Eastland               | 29.9%                   | 24.3%                    |
| 28206                         | Central Charlotte (North of Uptown) | I-85/Sugar Creek       | 13.1%                   | 10.7%                    |
| 28213                         | Northeast Charlotte                 | I-85/Sugar Creek       | 19.6%                   | 14.0%                    |
| Mecklenburg County (baseline) |                                     |                        | 15.0%                   | 9.7%                     |

# Follow Up from our last meeting

## Incarceration

*Provide additional information on formerly incarcerated residents.*

We are partnering with Charlotte Works, CMPD and Mecklenburg County Sheriffs Office on this data. This is also included in the EY corridor labor analysis.

## Diversion

*Define "Strengthening within diversion programs"*

We are learning more the CMPD diversion program and other community partnerships, like the recent Center for Employment Opportunities announcement.

## Refugees

*What services are available to refugees seeking work?*

Refugees can receive services including case management and employment services with Carolina Refugees Resettlement Agency & Refugee Support Services.

## Skills Gap

*What are we doing to address the skills gap?*

The City is working with EY on a labor study for our corridors, which will include identifying skills gaps and opportunities for growth.

## Small Business

*What skills are needed by our small businesses?*

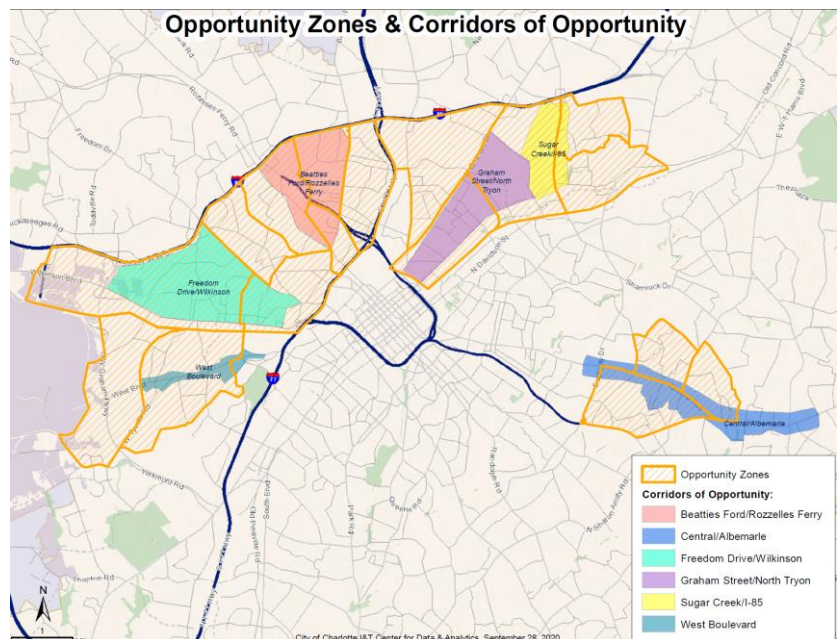
Through existing industry outreach, we will be obtaining more information on hiring needs.

## Hiring

*How do we connect residents to job opportunities?*

We do this through connecting companies with our workforce and education partners. This provides us our greatest opportunity to influence hiring practices.

## Corridors & OZ's



## Discussion for Today

- Workforce Strategies: Peer City Research
- Policy: City Investment & Workforce Requirements
- What we learned & where we are going
- Next Steps

### **Peer City Research:**

Workforce  
Strategies

Cities that we researched:

- Austin, TX
- Nashville, TN
- Detroit, MI
- Seattle, WA
- Atlanta, GA
- Cleveland, OH
- Cincinnati, OH
- Denver, CO

# Workforce Strategies: Initiatives & Solutions

## UPSKILLING-FOCUSED

The most common program-type, we found that cities and organizations focus on training and upskilling those with barriers to employment and connect them with a career with growth opportunity. *Mecklenburg County is launching a partnership with Charlotte Works to upskill under-employed and young adults.*

## INDUSTRY-FOCUSED

Several cities have launched initiatives that are industry-specific, particularly in skilled trades like construction. For these programs, employers in the industry lead or have strong buy-in to the initiative, which strengthens outcomes.

## BARRIER-FOCUSED

A less common focus, some cities have formed programs or funded organizations that help alleviate barriers so that jobseekers or students can continue on their career path. *North Carolina Community College System launched a successful program called the Finish Line Grant last year.*

## TECHNOLOGY SOLUTIONS

A newer model, a few cities are investing in technological solutions that connect jobseekers to employers' open jobs or connects them to community resources. As COVID-19 has exacerbated virtual services, these projects are likely to become more common.

## Workforce Strategies



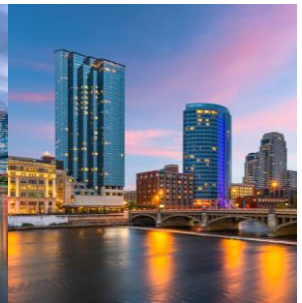
### AUSTIN: UPSKILLING-MODEL

- Community Workforce Plan, led by the WDB, brings together partners in workforce, education, and business to streamline service delivery and job placement.
- City is a partner in the initiative, but promotes economic mobility through its incentive structure (details on later slide)



### CINCINNATI: BARRIER-FOCUSED

- Privately-funded nonprofit assists residents with the highest barriers to employment get placed into jobs
- City helps fund the organization with a \$250,000 contribution
- Strong employer partnerships
- Metric Driven
- Track record of success



### WEST MICHIGAN: TECHNOLOGY- FOCUSED

- A software developed by West Michigan workforce development board & an employer consortium (Talent 2025) that connects jobseekers to employers using an evidence-based selection process
- City has no known role

# Cincinnati Works Model

## STRUCTURE:

Cincinnati Works is a mostly privately-funded 501(c)3 organization whose mission is to eliminate poverty. They do this by **focusing on addressing barriers** and placing participants into jobs. They have developed trusted relationships with local businesses to source these jobs and place candidates.

## FUNDING & CITY'S ROLE:

Cincinnati Works has a \$4 million budget that is mostly funded by private entities and employers. The City of Cincinnati contributes \$250,000 annually to Cincinnati Works. Note: the City did make cuts to this contribution because of the COVID-19 pandemic

## RESULTS:

The organization is very results-driven and clients can come back for services anytime they experience unemployment or need help. In 2019, Cincinnati Works placed 468 people into employment. They largely serve people with barriers: **20% of participants had childcare issues, 37% had transportation issues, 18% had a serious criminal background, 6% had a lack of education.**

## CHARLOTTE RESOURCES

Several workforce organizations in Charlotte provide services to residents with barriers. Charlotte Works has recently convened an asset mapping project that will show which organizations offer services to different populations and address community-wide gaps in service.

# Peer City Research:

## Workforce Strategies- Key Takeaways

- The workforce ecosystem is structured differently in every state and city – **these differences can pose challenges** if Charlotte wanted to implement or model a program
- **Charlotte has the framework for successful workforce programs** and is currently exploring better service delivery and alignment.
- There are **new initiatives** in our community that we need to further investigate.
- Programs that **specifically address barriers with private funding** could be a strategic add to our community.

## Peer City Research:

City Contracting  
Policy + Workforce  
Development

Cities that we researched:

- Austin, TX
- Nashville, TN
- Detroit, MI
- Seattle, WA
- Atlanta, GA
- Cleveland, OH
- Cincinnati, OH
- Denver, CO

## City Contracting Policy

### Denver, CO

#### **Denver Construction Career Pilot**

PILOT Project of City.

Demand – 30,000 jobs

- Career Path Promise. \$13 and up
- Aligning partners to create pipeline approach of candidates
- Aligns workforce development/education to a specific need.
- Boot Camps – 4 week training, many hired on spot
- Focused on areas where unemployment is high, those with barriers

### Nashville, TN

#### **Nashville Construction Readiness Partnership**

- Voluntary – Mandated hiring of 40% of Davidson County Residents on Public Projects of \$100,000 or more failed.
- Aligning partners to create pipeline approach to candidates.
- Workforce/education partners focused on training/skill development
- Barrier focus
- Faith based partnerships



# Austin Incentive Model

## INCENTIVE POLICY PRIORITIES:

- Transparency
- Return on Investment
- Desired Growth Locations
- Employee diversity, wages, character of jobs, and labor practices
- Infrastructure impact

## BONUS INCENTIVES:

Through a Council resolution, companies may receive additional incentives for:

- Placing economically disadvantaged workers in at least 10% of new jobs
- Hiring ex-offenders and providing those employees with continuing education services
- Ensuring that employees or contract/construction workers are provided with workforce development services
- Providing an on-site daycare or subsidizing childcare costs for employees

## DATA-DRIVEN:

Austin Economic Development uses an impact model to quantify criteria and score applications. Criteria is weighted and gives companies higher scores for locating in a blighted area or committing to policies that improve economic mobility.

## CHARLOTTE POLICY

The current incentive policy gives companies provides a 90% reimbursement incentive for locating in a Business Revitalization Corridor. The pilot Opportunity Hiring Grant provides an additional incentive to companies who partner or hire from one or more of Charlotte's workforce development partners.

# City Contracting Policy + Workforce Development

Key Takeaways

- Incentivize vs. Mandate. **Industry led initiatives** that supported/incentivized by the public sector are far more successful.
- **Construction** appears to be the most effective industry to implement a workforce strategy around. Labor demand is strong, training programs are in place and barriers to entry are low.
- **Determine our priority and leverage our tools** to meet our goals – job creation, investment, location, or hiring.
- **More research is needed.** Every state is different. Engage legal, general services, and CBI on this effort.

## Initiatives we are trying in Charlotte

- CUSTOMIZED TALENT ACQUISITION STRATEGIES  
The business recruitment and retention team develop trusted relationships with new to market and expanding companies in Charlotte. These relationships allow us to co-create customized talent acquisition strategies that bring our partners to the table, promoting local hiring and upskilling of our residents.
- OPPORTUNITY HIRING GRANT  
Incentivizing companies to hire from our workforce development partners. Encourages upskilling with CPCC and our other training programs. Helps make a business case for the business community.
- THRIVE HIRING GRANT  
As a part of Open for Business, incentivize the hiring of residents into new jobs during the pandemic. There is a bonus paid to jobs create in our corridors.
- CORRIDORS OF OPPORTUNITY  
Implementing a comprehensive strategy to reduce the chronic unemployment along our corridors by putting people into jobs that pay a sustaining wage, lead to a career path and address the barriers to keep them there.

## What we are finding with our current initiatives:

- Incentivize participation, engagement and innovation. This leads to trusted relationships and mutual success.
- Determine our priority and innovate to find new ways to meet our goals – local hiring, job creation, investment, or location- [find a way to do it!](#)
- PILOT Projects. We must look at creative ways to address specific needs/opportunities. Being "General" doesn't always work.
- Entrepreneurial. **If we want different outcomes, we must be willing to try a new approach.**

## What we learned

### → Solve for Barriers

Our community needs to solve for barriers to help our unemployed residents get and keep a job. This will require strong public private partnerships to fund this initiative. We know that common barriers include: single parent household, transportation, incarceration and a combination of these.

### → Metrics are Essential & Innovation is Necessary

We must create solutions based on data and that are easily measured for success. Metrics may include:

- People placed in jobs is #1
- Duration in job & wage correlation
- Barriers addressed
- Impact on community/ ROI

We must be willing to try new innovative approaches to solving a decades old problem. Consider a pilot.

### → Incentivize Participation

Incentivize instead of require. How do we reward companies that partner with the City to advance our communities goals of job growth and opportunity? Expand the capacity of our Opportunity Hiring Grant. Building off the Denver and Austin model, and what we know about Charlotte, industry led efforts are more effective than mandated efforts.

### → Build Connections with Existing Industry

Developing and strengthening relationships with existing businesses in Charlotte to understand their labor needs. We need to find jobs for individuals at all levels to create opportunities for success. We need employer partners who want good people and are willing to partner for their success.

## Key Takeaway: Comprehensive Job Plan *that informs*

- **Jobs:** Defining the jobs needed in our community for all to have opportunity
- **Businesses:** How we work with businesses to grow them and recruit them.
- **Talent Initiatives:** Programs we invest in, skills needed in our community
- **Land Use & Mobility:** Where and how we are creating real estate product to house the jobs and the services needed to be successful
- **Partnerships:** How do we work best with our partners to achieve these goals
- **Tools:** What tools and policies do we need to successfully implement this plan

Get a Job CLT

**Develop a comprehensive plan to place people in jobs that guide the City's work, investment and partnerships in our community** This plan will cover the spectrum of job types, industries, locations and actionable items to create and place people into careers. This may lead to the creation of a integrated digital platform built on the Open For Business platform, that is a "one stop shop" for job seekers, employers, and workforce development partners to connect.

Should we solve for barriers?

Further research the effectiveness of the Cincinnati Works model. Are barriers the challenge for the unemployed? Would this address a gap in our ecosystem? Would this model work in Charlotte? Is it duplicative work of existing partners? What level of funding would it need and who would the partners be? Who would lead this work?

Uncover Opportunities & Make Connections

Expand the capacity of the Economic Development team to develop trusted relationships with existing businesses that could provide job opportunities for our residents. Connect these companies with our partners to source qualified talent – or talent that needs an opportunity- and place residents in jobs.

Dig Deeper

With the assistance of EY, we are diving deeper in to our Corridors of Opportunity to better understand:

- who is unemployed and the challenges they face
- what are the jobs needed
- identify catalyst sites for new job growth
- recommend City policy changes & community initiatives

# What we will do next

## Keeping you in the Loop

October 5<sup>th</sup> Report Out

Present to full council a summary of the work completed to date and the work our team is going to be doing.

Major takeaway: Develop a comprehensive job strategy for Charlotte to inform and guide City work, policy and investment.

November Committee

Present to committee initial findings including:

- Corridor data
- Workforce Strategy/ Cincinnati Works Model
- Get a Job CLT
- Sourcing new job opportunities
- City investment policy rec.

January Committee

Present draft comprehensive job strategy to inform FY 2022 budget, guide the City's efforts in the community and define how we work strategically with our partners in this ecosystem.

Present initial Corridor of Opportunity Labor Study Findings.

Present city investment policy recommendations for initial consideration.

March Committee

Present to committee final recommendations for:

- Comprehensive Job Strategy
- Policy Updates
- Unique corridor employment strategies